

**Water/Wastewater Commissioners’  
Meeting Minutes  
March 29, 2012**

Present: Present: Robert E. Courage, Chairman  
Dale A. White, Vice-Chairman  
Michael E. Putnam, Member  
David Boucher  
Evelyn Gendron

**Call to Order:**

Chairman Courage called the meeting to order at 6:40 p.m.

**Appointments:**

Public Hearing – Sewer Rate Increase – Chairman Courage read the public hearing notice, attached to these minutes as a permanent record, introduced Commissioner White, Commissioner Putnam, Attorney Drescher, Finance Director Sheehy, Water Utilities Superintendent Boucher, and Water Utilities Billing Clerk Jessica Hardwick. Also attached to these minutes as a permanent record are the three-page, double-sided, stapled hand-outs made available to attendees.

Chairman Courage said before beginning this evening’s sewer rate increase presentation, he would like to explain that the 2012 operating budget of the Wastewater Department is \$1,693,966.00, and what is involved. The Sanitary Sewer System, which is part of the commissioners’ responsibility to oversee along with the water systems, includes the Wastewater Treatment Facility, which is a 2.15 MGD facility that is presently 31 years old. Process control and wastewater treatment facility costs are driven by stringent NPDES discharge permit requirements, prior to discharging effluent to the Souhegan River. Along with the treatment facility, Milford’s collection system consists of 42.4 miles of sewer throughout the town. There are two sewer life pump stations, one at Patch Hill and one at Emerson Road, which pump sewage from collection points into the system. There are 2,637 customers. There are nine full-time employees in this department and three people are shared half of the time. The Town of Wilton is connected to Milford’s sewer system, and when the wastewater treatment facility was constructed in 1980, Wilton “bought in” at 14.89% of the treatment works capacity. Based upon available 2011 statistics, the treatment facility is at 64.6% of the design capacity.

Chairman Courage then began to explain the first page of the hand-outs, titled “2012 Sewer Rate Study”, noting that the current Milford residential sewer rate is \$3.33, and that the calculations provided by the Finance Department are based on an average usage of 1,869 cubic feet per quarter for a Milford residential water customer, factoring in the proposed 18% sewer rate increase, would amount to an increased difference of \$44.86 per year, or \$11.21

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per quarter, or \$3.74 per month, or \$0.12 per day. He noted that other NH communities were included in the hand-out for comparison with Milford's population of 15,115. Chairman Courage then read aloud that the current residential water rate for Franklin is \$4.48, with a population of 8,477, noting the calculated 18% increased differences for yearly, quarterly, monthly and daily billed. Mr. Courage read aloud Milford's current commercial rate is \$4.16/100 cubic feet, and the proposed increase would bring the rate to \$4.91/100 cubic feet, with the difference being \$0.75/100 cubic feet.

Mr. Courage explained that Milford's last sewer rate increase, to \$3.33 per 100 cubic feet, was in 2007, with a scheduled 8% rate increase planned to occur in 2009, which did not happen due to the commission's decision to not pursue both a sewer rate increase and a water rate increase during the difficult economy, and an additional rate increase was anticipated to be necessary in 2012 to meet anticipated increases in operating expenses. Mr. Courage noted that he was a member of the Board of Commissioners at that time, while Commissioners White and Putnam were not members at that time. Mr. Courage explained how customers are notified via the subsequent billings that three months hence, the next billing will be at the new sewer rate.

Mr. Courage introduced Mr. Jack Sheehy, who proceeded to explain the 2<sup>nd</sup> page of the hand-out, a memo dated March 29, 2012 titled "Sewer Rates". He reiterated that because the 2007 increase did not occur, that lost income resulted with the sewer fund steadily running at a loss. Mr. Sheehy said Table 8 showed that the water fund income was operating at a loss for the past four years. He explained that auditors would be in-house next week to run further financials. He further explained Tables A, B, and C of the hand-outs. Mr. Sheehy explained his recommendation to the commissioners to either get back onto a graduated schedule, as was originally recommended in 2007 to catch up to lost income or to go with an 18% increase all at once to recoup expenses, which based upon the flow in 2010 would be approximately \$220,000 in round figures.

Attorney Drescher asked Chairman Courage if he could ask a question of Mr. Sheehy, so that the record would reflect that, as a general proposition, the sewer system is supposed to pay for itself, so that there is no taxpayer money that is raised at the annual meeting to subsidize this operation. Mr. Sheehy agreed, referring to this as operating as an Enterprise Fund. Attorney Drescher said that, indeed, the law allows for the rates to be set at an incremental amount higher than the actual, exact amount of the costs of operations, so that the commission can, year to year, accumulate some excess funds in the form of a capital reserve, to set aside funds for capital improvements. He asked Mr. Sheehy if this is correct; Mr. Sheehy agreed the information was correct. Attorney Drescher continued by saying that what happens over the years is that the additional funds that get set aside get used as the source of the funds used, and funding will eventually "dry up". Mr. Sheehy compared the sewer fund capital reserve financials to water fund capital reserve financials, and answered questions asked by the audience regarding depreciation and non-operating revenue. Chairman Courage explained the new septage receiving facility now under construction, with 50% ARRA funding, with on on-line date projected to be July 2012, and how the 2013 budget will include two bond issues approved in 2010 at a low interest rate. The new facility will help reduce septage odors noticeable in East Milford.

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At 7:15 p.m., Chairman Courage made the motion to adopt the new 18% sewer rate increase as proposed this evening, to a residential rate of \$3.93 and a commercial rate of \$4.91. Commissioner Putnam seconded the motion. All voted in favor.

**Adjournment:**

A motion to adjourn this evening's public hearing was made by Commissioner Putnam, seconded by Vice-Chairman White at 7:17 p.m. All voted in favor.

Respectfully submitted,

Evelyn B. Gendron

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Robert E. Courage – Chairman

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Date

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Dale A. White – Vice-Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Michael E. Putnam – Commissioner

\_\_\_\_\_  
Date

State of New Hampshire  
Town of Milford  
Board of Water and Sewer Commissioners

**NOTICE OF PUBLIC HEARING**

NOTICE is hereby given that, pursuant to the authority granted to the Board of Water and Sewer Commissioners by RSA 149-I:8, the board will consider a **sewer rate increase** at a public hearing which will be held by said Board of Water and Sewer Commissioners at **Milford Town Hall, in the Board of Selectmen's Meeting Room**, on the **29<sup>th</sup>** day of **March, 2012**, from **6:30 to 7:30** p.m. The public is invited to attend said hearing and an opportunity will be provided for public comment.

Given under our hands this 15<sup>th</sup> day of March, 2012.

Town of Milford  
Board of Water and Sewer  
Commissioners

**Robert Courage, Chairman**

Michael Putnam, Vice-Chairman

Dale White